

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Parks and Recreation	(2) MEETING DATE 9/22/2015	(3) CONTACT/PHONE Josh Heptig/781-1318	
(4) SUBJECT Request to approve a nine-year contract starting in FY 2015-16 with Golden State Golf Company for the management of the golf shop and food and beverage operations at Dairy Creek Golf Course. District 2.			
(5) RECOMMENDED ACTION It is recommended that the Board approve a nine-year agreement with Golden State Golf Company for the management of the golf shop and food and beverage operations at Dairy Creek Golf Course.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT Revenue: ~\$39,000	(8) ANNUAL FINANCIAL IMPACT Revenue: ~\$32,000 - \$130,000	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Morgan Torell			
(18) SUPERVISOR DISTRICT(S) District 2			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Parks and Recreation / Josh Heptig
781-1318

DATE: 9/22/2015

SUBJECT: Request to approve a nine-year contract starting in FY 2015-16 with Golden State Golf Company for the management of the golf shop and food and beverage operations at the Dairy Creek Golf Course. District 2.

RECOMMENDATION

It is recommended that the Board approve a nine-year agreement with Golden State Golf Company for the management of the golf shop and food and beverage operations at Dairy Creek Golf Course.

DISCUSSION

Background

The Dairy Creek Golf Course is owned by the County of San Luis Obispo and opened for business in 1997. It is an 18-hole golf facility located along Highway 1 in San Luis Obispo near Cuesta College. The golf course was designed with the environment in mind. Part of this plan was the creation of a Joint Powers Agreement (JPA) with the California Men's Colony (CMC), in which CMC is to provide reclaimed irrigation water for use at the golf course, El Chorro Regional Park, and Botanic Garden. The water deliveries were consistent for the first 17 years, but prison populations and subsequent water deliveries have recently changed. In 2014, CMC informed County Parks and Recreation staff that water deliveries would be reduced due to State mandated reduced prison populations. The overall result has been a 50-60% reduction to the golf courses' sole source of irrigation water, thus limiting water of the course only to the greens. Staff is currently exploring options to address the lack of water.

The golf course grounds are managed and maintained by Parks and Recreation Department staff, while the clubhouse, driving range, and golf car fleet is managed through concession contracts. Dairy Creek has had multiple contracts with concession operators since the course opened. Food and beverage and golf operations were each managed under different contracts in the past, but it became difficult to manage the communication and collaboration between multiple operators at the same facility. Facility management with a single operator became more desirable and has proved to provide better service to the public as well.

In September 2014 the Dairy Creek concessionaire ceased operations and filed for bankruptcy. The Parks and Recreation Department hired temporary staff to operate the Dairy Creek pro shop and provide customer service to our residents and visitors while the kitchen and restaurant remained closed. The bankruptcy was finalized in March 2015 and staff has since been renovating the restaurant and kitchen to repair and restore the facility to an improved tenable condition.

Request for Proposal and Concessionaire Contract

The Parks and Recreation Department staff prepared the Request for Proposal (RFP) documents based upon the goals and objectives of the golf program along with input from the golfing public that was recently provided for the Morro Bay Golf Course contract. The goal was to seek a concession operator that would best satisfy the needs of the general public and utilize the amenities at Dairy Creek Golf Course while protecting the assets and resources of the property. It is the Parks and Recreation Department's intent to align the Dairy Creek and Morro Bay golf course contracts in the future to increase the interest of larger management companies for future RFPs.

The County and City of San Luis Obispo Parks and Recreation staff and the City of Anaheim vetted the proposals in detail and the County selected the best qualified candidate that we believe will provide affordable golf recreational opportunities for the residents and visitors to the County during the next nine years. A concession contract between the County Parks and Recreation Department and Golden State Golf Company for the operation of Dairy Creek Golf Course has been prepared by staff for Board consideration, and is attached to this report.

OTHER AGENCY INVOLVEMENT/IMPACT

The County Parks and Recreation Department, County Purchasing, County Counsel, County Real Property Services, and County Risk Management were involved in the preparation and/or review of the contract. The County Parks and Recreation Department, City of San Luis Obispo Parks and Recreation, and the City of Anaheim were involved in the vetting of the proposals.

FINANCIAL CONSIDERATIONS

There are no expenditures necessary by the County Parks and Recreation Department for the implementation of the concession contract. All associated costs will be the responsibility of the Concessionaire. The County will receive an annual rental payment based upon a sliding scale related to rounds of golf played with a guaranteed additional fee of 5% paid to the county based on the gross receipts of the Concessionaire. It is anticipated that the Parks and Recreation Department will receive between \$32,000 and \$130,000 of revenue annually depending upon rounds of golf played.

RESULTS

Approval of the concession contract between the County Parks and Recreation Department and Golden State Golf Company will provide a nine (9) year agreement commencing on the date of Board approval and contract execution. Providing quality affordable golf recreational services supports the Board's goals of providing a healthy and livable community.

ATTACHMENTS

1. DCGB Concession Contract
2. Exhibit A to the Contract – Vicinity Map
3. Exhibit B to the Contract – Area of Responsibility (Clubhouse)
4. Exhibit C to the Contract – Area of Responsibility (Cart Barn)
5. Exhibit D to the Contract – Fixed Asset Inventory
6. Exhibit E to the Contract – Facility Maintenance Schedule
7. Exhibit F to the Contract – Rental Payment Based on Total Rounds